



HOUSTON
PUBLIC
WORKS

FY 2019 BUDGET

**BUDGET & FISCAL AFFAIRS COMMITTEE
HOUSTON PUBLIC WORKS
MAY 2018**

WHO WE ARE

Mission

Provide water and treat wastewater, provide streets and drain storm water; enforce the City's building and development codes; all in an effective, efficient and responsible manner to serve our customers.

Vision

Be a rock solid, responsive and respected customer service oriented organization and be the premier public works department in the United States.

Values

Commitment to customer service and performance excellence through competence, continuous improvement and courage; innovation, integrity, selfless service, stewardship and teamwork.

WHO WE ARE

HOUSTON PUBLIC WORKS
4,028.9 employees* | \$2,144.9M**



CAROL ELLINGER HADDOCK, PE
DIRECTOR
236.7 employees | \$63.7M



ROEL GARCIA
CHIEF OF STAFF



ALANNA REED
DIRECTOR
COMMUNICATIONS



SAMIR SOLANKI
ACTING DIRECTOR
FINANCIAL MANAGEMENT SERVICES
57.5 employees | \$1,362.6M
*(\$1.3B related to debt service & transfers
\$72M related to core services)*



GARY NORMAN
DIRECTOR
GOVERNMENT RELATIONS



ERIC DARGAN
CHIEF OPERATING OFFICER



JOSEPH MYERS, PE
ACTING DIRECTOR
CAPITAL PROJECTS
303.2 employees
\$40.7M



JEFF WEATHERFORD, PE, PTOE
DIRECTOR
TRANSPORTATION &
DRAINAGE OPERATIONS
844 employees
\$141M



YVONNE FORREST
DIRECTOR
HOUSTON WATER
1,609.1 employees
\$412.5M



CHRIS BUTLER
DIRECTOR
HOUSTON
PERMITTING CENTER
583 employees
\$80.7M

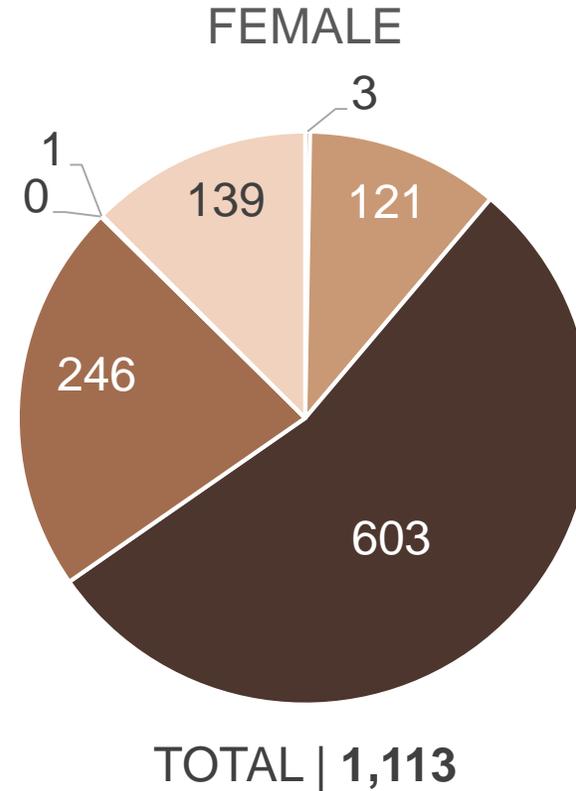
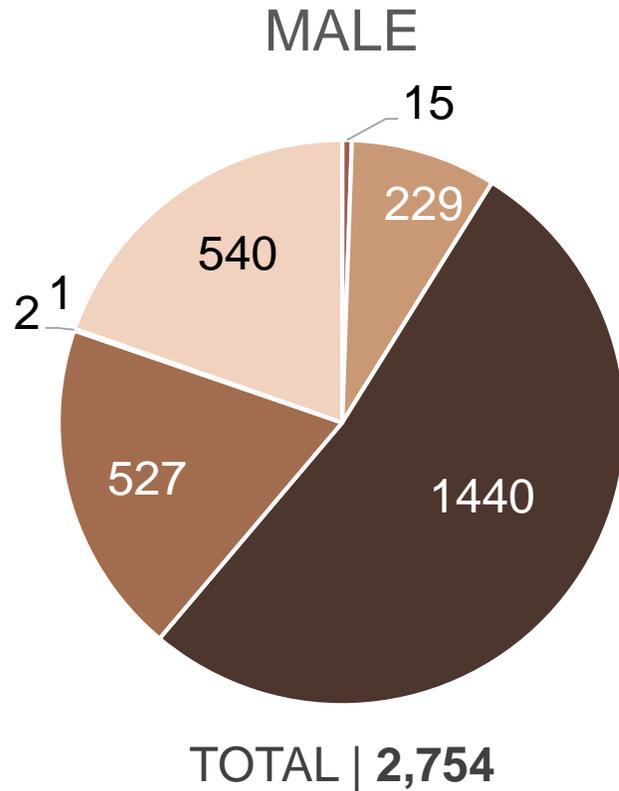


SHERRI WINSLOW
DIRECTOR
CUSTOMER ACCOUNT
SERVICES
395.4 employees
\$43.7M

PUBLIC WORKS ETHNICITY

EMPLOYEES | **3,867**

as of April 2018

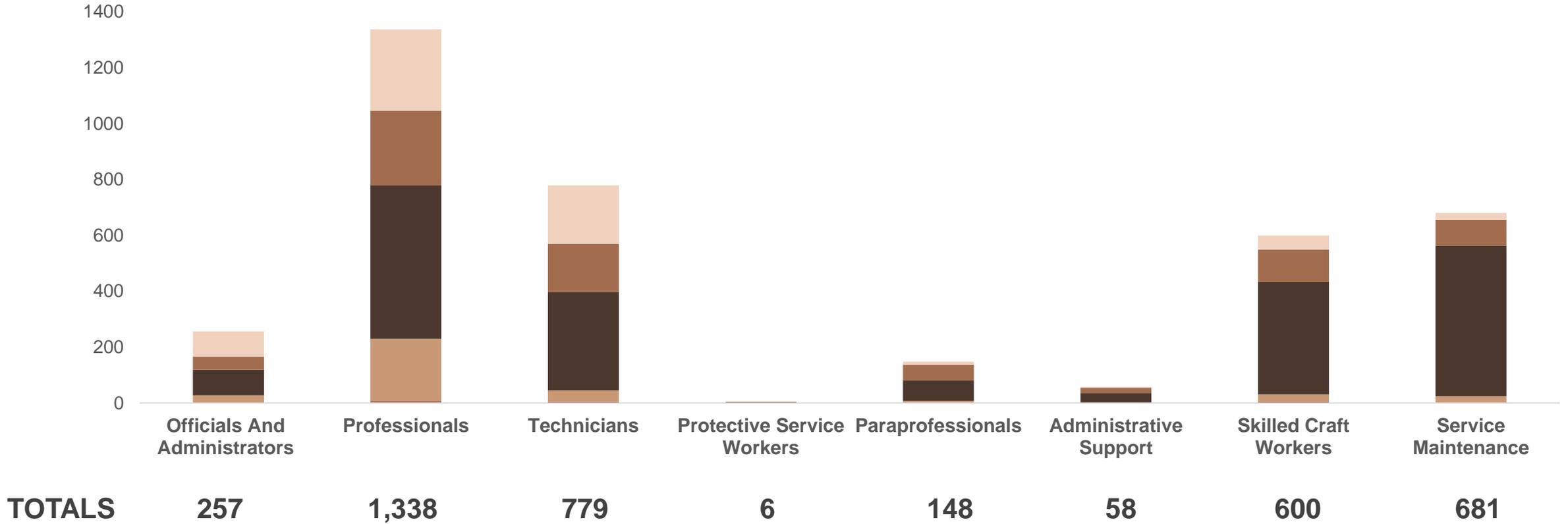


AI-American Indian, AP-Asian/Pacific Islander, B-Black, H-Hispanic, N-Native Hawaiian, T-Two or More Races, W-White

PUBLIC WORKS ETHNICITY BY JOB

EMPLOYEES | **3,867**

as of April 2018



AI-American Indian, AP-Asian/Pacific Islander, B-Black, H-Hispanic, N-Native Hawaiian, T-Two or More Races, W-White

| TOP ACCOMPLISHMENTS

Hurricane Harvey

Houston Public Works employees were true first responders

FY 2018 ACCOMPLISHMENTS

Restructured Organization

Streamlined functions to save resources and improve delivery

Added Communications and Government Relations teams

Created Chief Operating Officer Role

American Public Works Association

Received reaccreditation

FY 2018 ACCOMPLISHMENTS

CAPITAL PROJECTS

Reinstalled original bricks in Freedmen's Town

Renamed Engineering & Construction Division to Capital Projects

First Competitive Sealed Proposal contract selection

CUSTOMER ACCOUNT SERVICES

Realtime posting of remote water bill payments

35% reduction in bill distribution costs

Replaced automated meter reading units for contract customers

FY 2018 ACCOMPLISHMENTS

HOUSTON WATER

No boil water notice during Harvey

Restarted storm-flooded wastewater treatment plants in less than **5** days

Renamed Public Utilities Division to Houston Water

Centralized laboratory services for drinking water

FY 2018 ACCOMPLISHMENTS

HOUSTON PERMITTING CENTER

Streamlined average wait time to **12.3** minutes per transaction

Opened **5** temporary locations & issued **9,000+** storm related permits

Inspected & collected data on **11,000+** structures in floodplain

Reviewed **57,000** plan sets (Commercial, Residential & One-Stop)

FY 2018 ACCOMPLISHMENTS

TRANSPORTATION & DRAINAGE OPERATIONS

Provided high water rescues and debris removal for Harvey response

Moved storm sewer GIS data to ArcGIS system

Created dispatch tool to better respond to storm sewer service requests

Extended Lamar Cycle Track to connect to East Downtown

Developed LED replacement schedule for traffic signals

BUDGET SUMMARY | ALL FUNDS

(in millions)

Funds	Fund Names	Revenue FY18 Budget	Revenue FY19 Proposed	Variance	% Change	Expenditure FY18 Budget	Expenditure FY19 Proposed	Variance	% Change
1000	General Fund	\$ 3.0	\$ 3.1	\$ 0.1	3.3%	\$ 29.7	\$ 29.2	\$ (0.5)	-1.7%
1001	Project Cost Recovery	47.5	47.8	0.3	0.6%	47.5	47.8	\$ 0.3	0.6%
2301	Building Inspection*	75.7	78.1	2.4	3.2%	96.8	91.4	\$ (5.4)	-5.6%
2302	Stormwater Fund**	58.5	61.1	2.6	4.4%	68.3	67.8	\$ (0.5)	-0.7%
2310	DDSRF	201.5	222.5	21.0	10.4%	216.0	228.0	\$ 12.0	5.6%
2402	Houston TranStar	2.5	3.0	0.5	20.0%	2.9	3.2	\$ 0.3	10.8%
8300	Water & Sewer	1,113.5	1,138.5	25.0	2.2%	939.3	958.7	\$ 19.4	2.1%
8301	CUS Operating	493.9	494.5	0.6	0.1%	493.9	494.5	\$ 0.6	0.1%
8305	CUS General Purpose	0.0	0.0	0.0	0.0%	218.9	224.3	\$ 5.4	2.5%
Total		\$ 1,996.1	\$ 2,048.6	\$ 52.5	2.6%	\$ 2,113.3	\$ 2,144.9	\$ 31.6	1.5%

* Building Inspection Fund FY18 expenditure Adopted budget of \$95.0M was adjusted to \$96.8M due to pension obligation bonds issuance and proceeds related to the City's Pension Reform Plan.

** Stormwater Fund FY18 expenditure Adopted budget of \$64.2M was adjusted to \$68.3M due to pension obligation bonds issuance and proceeds related to the City's Pension Reform Plan.

FY 2019 | TOTAL REVENUE BY FUND

(in millions)

Funds	Fund Names	FY17 Actual	FY18 Current Budget	FY18 Estimate	FY19 Proposed Budget	Variance from FY18 Budget	% Change
1000	General Fund	\$ 3.4	\$ 3.0	\$ 3.6	\$ 3.1	\$ 0.1	3.3%
1001	Project Cost Recovery	40.6	47.5	43.1	47.8	0.3	0.6%
2301	Building Inspection	77.2	75.7	89.6	78.1	2.4	3.2%
2302	Stormwater Fund	64.4	58.5	63.5	61.1	2.6	4.4%
2310	DDSRF	210.2	201.5	209.6	222.5	21.0	10.4%
2402	Houston TranStar	2.4	2.5	2.5	3.0	0.5	20.0%
8300	Water & Sewer	1,071.5	1,113.5	1,113.5	1,138.5	25.0	2.2%
8301	CUS Operating	446.9	493.9	491.9	494.5	0.6	0.1%
8305	CUS General Purpose	7.6	0.0	0.0	0.0	0.0	0.0%
Total		\$1,924.2	\$1,996.1	\$2,017.3	\$ 2,048.6	\$ 52.5	2.6%

FY 2019 | REVENUE HIGHLIGHTS

FUND	FUND NAME	HIGHLIGHT
2301	Building Inspection	increase by \$2.4M boarding house inspection fee (\$1.1M), Consumer Price Index rates & permit activity
2310	Dedicated Drainage & Street Renewal	increase by \$21M lower debt payments from ad valorem property taxes (\$16.4M) + METRO revenue (\$6.6M), offset by decrease in drainage revenue (\$2M)
2302	Stormwater Utility	increase by \$2.6M Storm Water Action Team (SWAT) Program (\$2.5M)

FY 2019 | REVENUE HIGHLIGHTS

FUND	FUND NAME	HIGHLIGHT
8300 8301 8305	Combined Utility System (CUS)	<p>increase by \$25.6M</p> <p>rate increase of 2.8% (\$29.3M)</p> <p>rental fees at 611 Walker deferred in FY2018 (\$5.1M)</p> <p>debt service payment reimbursements from water authorities for Luce Bayou in FY2019 (\$2.2M)</p> <p>offset by reduced water authorities revenue based on trends (\$12.5M)</p>

FY 2019 | TOTAL EXPENDITURE BY FUND

(in millions)

Funds	Fund Names	FY17 Actual	FY18 Current Budget	FY18 Estimate	FY19 Proposed Budget	Variance from FY18 Budget	% Change
1000	General Fund	\$ 30.6	\$ 29.7	29.7	\$ 29.2	\$ (0.5)	-1.7%
1001	Project Cost Recovery	40.6	47.5	43.1	47.8	\$ 0.3	0.6%
2301	Building Inspection*	75.7	96.8	96.8	91.4	\$ (5.4)	-5.6%
2302	Stormwater Fund **	58.2	68.3	68.3	67.8	\$ (0.5)	-0.7%
2310	DDSRF	203.6	216.0	213.3	228.0	\$ 12.0	5.6%
2402	Houston TranStar	2.7	2.9	2.4	3.2	\$ 0.3	10.8%
8300	Water & Sewer	843.4	939.3	927.8	958.7	\$ 19.4	2.1%
8301	CUS Operating	447.7	493.9	491.9	494.5	\$ 0.6	0.1%
8305	CUS General Purpose	167.0	218.9	184.2	224.3	\$ 5.4	2.5%
Total		\$ 1,869.5	\$ 2,113.3	2,057.5	\$ 2,144.9	\$ 31.6	1.5%

* Building Inspection Fund FY18 expenditure Adopted budget of \$95.0M was adjusted to \$96.8M due to pension obligation bonds issuance and proceeds related to the City's Pension Reform Plan.

** Stormwater Fund FY18 expenditure Adopted budget of \$64.2M was adjusted to \$68.3M due to pension obligation bonds issuance and proceeds related to the City's Pension Reform Plan.

FY 2019 | EXPENDITURE HIGHLIGHTS

FUND	FUND NAME	HIGHLIGHT
1000	General	decrease by \$0.5M transfer Mobility Response Team (\$619K) to 2310 offset by restricted account increase (\$207K)
2301	Building Inspection	decrease by \$5.4M transfer to General Fund in FY 2018 (\$2.1M), budget adjustment in FY 2018 for pension bond (\$1.9M), no outsourcing plan reviews (\$1M)
2310	Dedicated Drainage & Street Renewal	increase by \$12M spending for CIP (\$3M) in FY 2019, transfers to Stormwater Fund (\$3M), new contracts (\$1.8M), equipment rollovers (\$3M), contract use (\$1M)

FY 2019 | EXPENDITURE HIGHLIGHTS

FUND	FUND NAME	HIGHLIGHT
8300 8301 8305	Combined Utility System (CUS)	<p>increase by \$25.4M</p> <p>electricity costs (\$6.3M)</p> <p>chemical costs (\$1.7M)</p> <p>capital equipment/rollovers FY2019 (\$5M)</p> <p>property insurance costs (\$2.8M)</p> <p>employee health benefit costs (\$2M)</p> <p>river authority operation costs (\$2.1M)</p>

FY 2019 | APPROVED BUDGET REDUCTION

(general fund 1000)

5% TARGET REDUCTION (\$82,981)	PROPOSED
Transfer Mobility Response Team	(\$619K)
Increased revenue through proactive identification & sale of surplus street property	\$83K

DISCRETIONARY GENERAL FUND

FY 2018 - \$1.7M, 15 positions

FY 2019 - \$1.1M, 9 positions

FY 2019 | NET CHANGE | GENERAL FUND 1000

FY 2018 CURRENT BUDGET		\$ in Millions
Operating Budget		\$1.7
Restricted Budget		\$28.0
	FY 2018 Current Budget	\$29.7
EXPLANATION OF FY 2019 INCREMENTAL INCREASE / (DECREASE)		
Operating Budget Adjustments		
Transfer Mobility Response Team to Dedicated Drainage & Street Renewal (2310)		\$(0.6)
	Subtotal Operating Budget Adjustments	\$(0.6)
	% Change from FY 2018 Operating Budget	-37.1%
Contractual or Mandated Adjustments		
Electricity increase (based on estimates from Finance)		\$0.1
Increase in other costs		\$0.1
	Subtotal Contractual/Mandated Adjustments	\$0.2
FY2019 Proposed Budget		
Operating and Contractual Adjustments		\$(0.5)
	FY 2019 Proposed Budget	\$29.2
	% Change from FY 2018 Current Budget	-1.4%*

* ~30% reduction of Operating Budget compared to FY 2018

FY 2019 | NET CHANGE | PROJECT COST RECOVERY FUND 1001

FY 2018 CURRENT BUDGET		\$ in Millions
Operating Budget		\$46.4
Restricted Budget		\$1.2
	FY2018 Current Budget	\$47.5
EXPLANATION OF FY 2019 INCREMENTAL INCREASE / (DECREASE)		
Operating Budget Adjustments		
Additional chargeback to the Office of Business Opportunity		\$0.5
Additional consulting services for assessments of Capital Projects program management		\$0.4
Reduction in temporary personnel services		\$(0.4)
Reduction in other costs		\$(0.4)
Increase in vacancy		\$(0.2)
	Subtotal Operating Budget Adjustments	\$(0.0)
	% Change from FY 2018 Operating Budget	-0.0%
Contractual or Mandated Adjustments		
Employee health benefits		\$0.3
Lower Public Works and citywide indirect costs		\$(0.1)
	Subtotal Contractual/Mandated Adjustments	\$0.2
FY2019 Proposed Budget		
Operating and Contractual Adjustments		\$0.2
	FY 2019 Proposed Budget	47.8
	% Change from FY 2018 Current Budget	0.5%

FY 2019 | NET CHANGE | BUILDING INSPECTION FUND 2301

FY 2018 CURRENT BUDGET		\$ in Millions
Operating Budget		\$91.5
Restricted Budget		\$5.3
	FY2018 Current Budget	\$96.8
EXPLANATION OF FY 2019 INCREMENTAL INCREASE / (DECREASE)		
Operating Budget Adjustments		
One-time transfer to General Fund (28 inspectors to Department of Neighborhoods FY 2018)		\$(2.1)
No longer outsourcing plan review		\$(1.0)
Lower costs for web portal & permitting wizard project		\$(0.7)
Fewer tablets & monitors needed for Electronic Plan Reviews		\$(0.3)
	Subtotal Operating Budget Adjustments	\$(4.1)
	% Change from FY 2018 Operating Budget	-4.5%
Contractual or Mandated Adjustments		
Employee health benefits		\$0.4
Houston Public Works & citywide indirect costs		\$0.2
One-time budget adjustment in FY2018 for pension bond		\$(1.9)
	Subtotal Contractual/Mandated Adjustments	\$(1.3)
FY2019 Proposed Budget		
Operating and Contractual Adjustments		\$(5.4)
	FY 2019 Proposed Budget	\$91.4
	% Change from FY 2018 Current Budget	-5.6%

FY 2019 | NET CHANGE | STORMWATER FUND 2302

FY 2018 CURRENT BUDGET		\$ in Millions
Operating Budget		\$63.5
Restricted Budget		\$4.8
	FY2018 Current Budget	\$68.3
EXPLANATION OF FY 2019 INCREMENTAL INCREASE / (DECREASE)		
Operating Budget Adjustments		
Continuation of SWAT program in FY 2019		\$2.7
Preventative maintenance support contracts to minimize flooding		\$0.5
	Subtotal Operating Budget Adjustments	\$3.2
	% Change from FY 2018 Operating Budget	5.0%
Contractual or Mandated Adjustments		
Employee health benefits		\$0.2
Houston Public Works & citywide indirect costs		\$0.3
One-time budget adjustment in FY2018 for pension bond		\$(4.1)
	Subtotal Contractual/Mandated Adjustments	\$(3.6)
FY2019 Proposed Budget		
Operating and Contractual Adjustments		\$(0.5)
	FY 2019 Proposed Budget	\$67.8
	% Change from FY 2018 Current Budget	-0.6%

FY 2019 | NET CHANGE | DEDICATED DRAINAGE & STREET RENEWAL FUND 2310

FY 2018 CURRENT BUDGET		\$ in Millions
Operating Budget		\$91.7
Restricted Budget		\$124.2
	FY 2018 Current Budget	\$216.0
EXPLANATION OF FY 2019 INCREMENTAL INCREASE / (DECREASE)		
Operating Budget Adjustments		
Transfer of additional funds to Stormwater Fund		\$3.0
Implementation of new contracts		\$1.8
Increased use of contracts to perform sidewalk, curb repairs & street panels		\$1.0
Increase in other costs		\$1.0
Mobility Response Team transfer from General Fund		\$0.6
Less construction materials (reallocating to assist with funding new contracts)		\$(1.2)
Reorganization of personnel within Public Works		\$(0.8)
	Subtotal Operating Budget Adjustments	\$5.4
	% Change from FY 2018 Operating Budget	5.9%
Contractual or Mandated Adjustments		
Employee health benefits		\$0.3
To reflect current and historical spending trends for CIP Projects		\$3.0
Capital equipment rollovers (Capital rollovers budgets: FY 2018 (\$6M); FY2019 (\$9M))		\$3.0
	Subtotal Contractual/Mandated Adjustments	\$6.3
FY2019 Proposed Budget		
Operating and Contractual Adjustments		\$12.0
	FY 2019 Proposed Budget	\$228.0
	% Change from FY 2018 Current Budget	5.4%

FY 2019 | NET CHANGE | COMBINED UTILITY SYSTEM

8300, 8301 & 8305

FY 2018 CURRENT BUDGET		\$ in Millions
Operating Budget		1,526.4
Restricted Budget		\$125.7
	FY 2018 Current Budget	\$1,652.1
EXPLANATION OF FY 2019 INCREMENTAL INCREASE / (DECREASE)		
Operating Budget Adjustments		
Higher electricity and natural gas costs		\$6.3
Higher insurance costs		\$2.8
Higher chemical costs		\$1.7
Increased contract use		\$0.8
Contract price increases and other costs		\$1.7
New water sampler contract		\$0.3
Additional building maintenance projects in FY 2019		\$0.7
	Subtotal Operating Budget Adjustments	\$14.3
	% Change from FY 2018 Operating Budget	0.9%
Contractual or Mandated Adjustments		
River Authority O&M Costs		\$2.1
Debt service payments		\$2
Health Benefits		\$2
Capital equipment /rollovers* (Capital rollovers budgets: FY 2018 (\$24.8M); FY 2019 (\$29.4M))		\$5
	Subtotal Contractual/Mandated Adjustments	\$11.1
FY2019 Proposed Budget		
Operating and Contractual Adjustments		\$25.4
	FY 2019 Proposed Budget	\$1,677.5
	% Change from FY 2018 Current Budget	1.5%

HARVEY DAMAGE



142
TOTAL VEHICLES
\$5.5M

18
DUMP TRUCKS
\$2.5M

4
HERBICIDE TRUCKS
\$1.0M

THANK YOU



HOUSTON
PUBLIC
WORKS

APPENDIX

FY19 PERFORMANCE MEASURES

GENERAL FUND 1000

Performance Measures	FY 2017	FY 2018	FY 2018	FY 2019
	Actual	Budget	Estimate	Budget
Customer Measures				
Mobility Response Team Incident Response	38	100	2,000	N/A
Mobility Response Team 311 Calls Received	1,761	1,200	1,900	N/A
Business Process Measures				
Value of Real Estate Actions Recorded for the Joint Referral Committee	\$2.8M	\$2.0M	\$2.4M	\$2.1M

FY19 PERFORMANCE MEASURES

BUILDING INSPECTION FUND 2301

Performance Measures	FY 2017	FY 2018	FY 2018	FY 2019
	Actual	Budget	Estimate	Budget
Customer Measures				
Commercial Plan Reviews Completed within 15 Business Days	95%	90%	91%	90%
Public Infrastructure Plan Reviews Completed within 10 Business Days	68%	95%	52%	95%
Residential Plan Reviews Completed within 10 Business Days	77%	90%	60%	85%
Solar only residential submittals completed within 5 business days	N/A	100%	92%	N/A
Solar only commercial submittals completed within 5 business days	N/A	100%	0%	N/A
Business Process Measures				
Commercial Plan Reviews Completed	20,251	20,000	18,100	18,100
Residential Plan Reviews Completed	12,131	11,500	11,100	11,100
Habitability Inspections Completed	1, 185	1,200	1,200	1,200
Building Inspections Completed	547,877	583,00	594,600	600,000
Sign Inspections Completed	33,512	37,518	40,100	40,100
Flood Plain Area Inspections Completed	14,439	10,000	21,900	12,000
Reported in MoFR				

FY19 PERFORMANCE MEASURES

STORMWATER FUND 2302

Performance Measures	FY 2017	FY 2018	FY 2018	FY 2019
	Actual	Budget	Estimate	Budget
Customer Measures				
Drainage System Issues Inspected/Maintained within 30 Days of 311 Complaints	77%	90%	80%	90%
Storm Sewer Lines/Leads/Inlets/Manholes Inspected (miles)	361	300	380	390
Business Process Measures				
Major Off Road Channel Inspections (miles)	198	140	150	140
Major Off Road Channel Maintenance (acres)	36	30	35	30
Storm Lines Cleaned – Internal and Contract (miles)	62	65	45	65
TPDES (MS4) Stormwater Quality Inspections	722	700	650	700
Reported in MoFR				

FY19 PERFORMANCE MEASURES

DEDICATED DRAINAGE & STREET RENEWAL FUND 2310

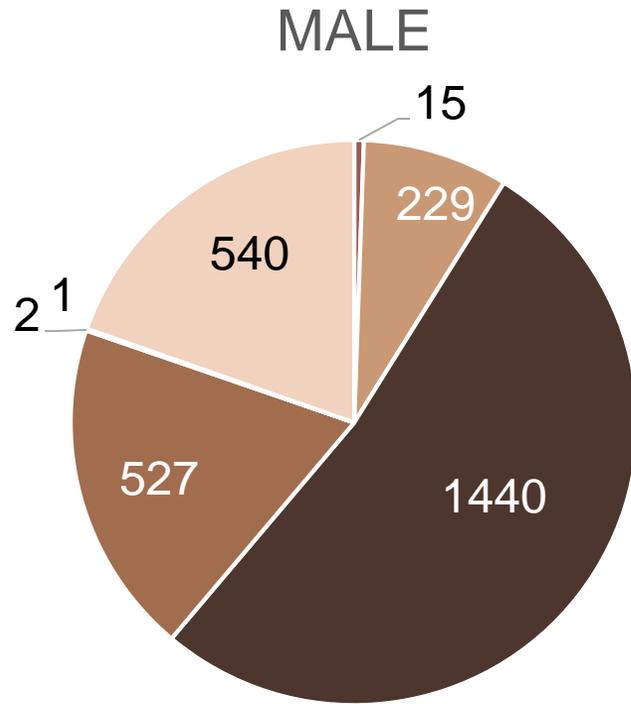
Performance Measures	FY 2017	FY 2018	FY 2018	FY 2019
	Actual	Budget	Estimate	Budget
Customer Measures				
Total Number of Potholes Repaired	64,594	52,000	52,000	52,000
Traffic Signal Repairs Completed	15,767	15,000	18,000	15,000
Traffic Signs Completed within 10 Business Days	98%	95%	95%	95%
Traffic Plan Reviews Completed in 10 Business Days	98%	90%	95%	90%
Percentage of Potholes Repaired within Next Business Day After 311 Request	96%	95%	95%	95%
Drainage Collection Rate	93%	95%	93%	93%
Business Process Measures				
Asphalt Repairs / Skin Patches	11,680	7,800	9,300	9,300
Concrete Panel Replacement	1,213	620	1,100	620
Percentage of Signals Receiving 2 Preventative Maintenance Services/Year	95%	95%	80%	95%
Reported in MoFR				

FY19 PERFORMANCE MEASURES COMBINED UTILITY SYSTEM 8300, 8301 & 8305

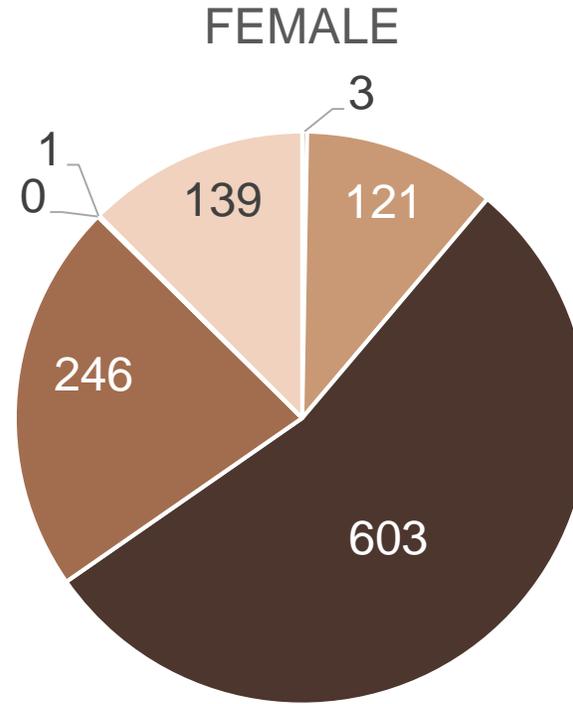
Performance Measures	FY 2017	FY 2018	FY 2018	FY 2019
	Actual	Budget	Estimate	Budget
Customer Measures				
Accept and Process Complete Water District Consent within 30 days of Receipt	90%	90%	90%	90%
Respond to Water Quality/Taste/Color/Odor within 2 Business Days	85%	95%	85%	90%
Water Service Requests investigated within Next Business Day	98%	95%	95%	95%
Number of Agent Assisted Calls Received	557,114	600,000	538,657	600,000
Utility Customer Calls answered within 5 minutes	54.4%	75%	42.3%	60%
Business Process Measures				
Wastewater Collected and Treated (MGY)	91,422	86,970	91,228	89,099
Water Gallons Delivered (MGY)	167,170	169,360	165,710	183,960
Percentage of TCEQ/EPA Required Tests Performed	100%	100%	100%	100%
Treatment Plant Permit Compliance Rate	99.4%	99.7%	99.6%	99.6%
Reported in MoFR				

PUBLIC WORKS ETHNICITY

(TOTAL EMPLOYEES | 3867)



TOTAL MALES | 2,754

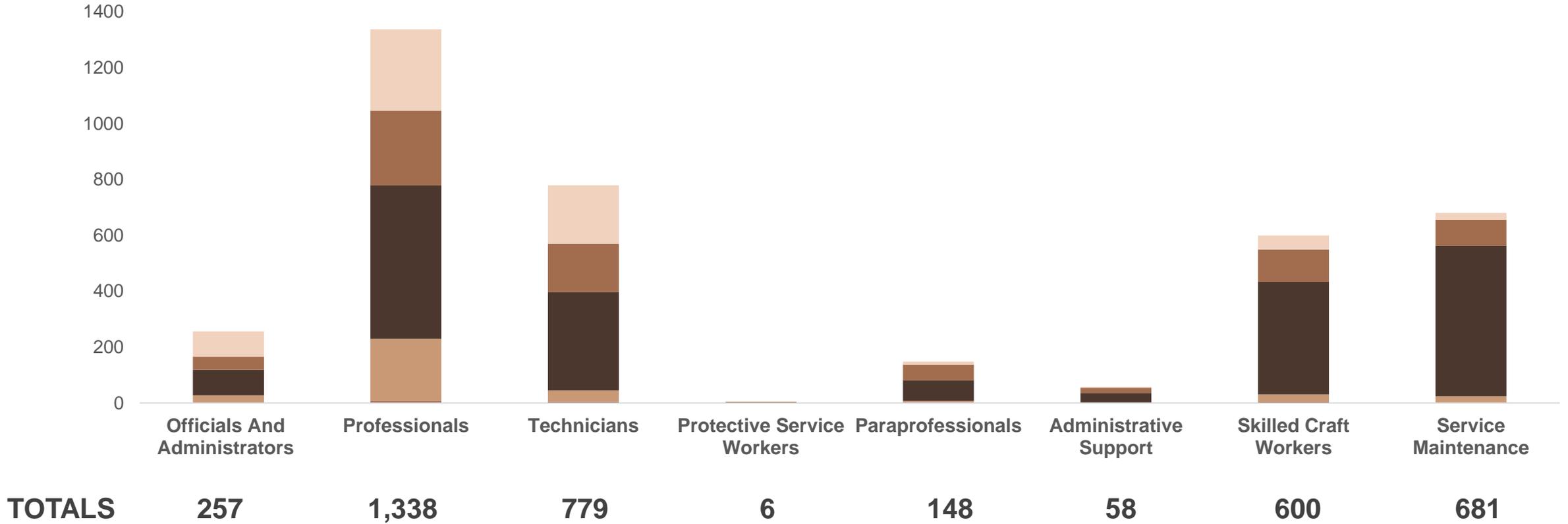


TOTAL FEMALES | 1,113



PUBLIC WORKS ETHNICITY BY JOB

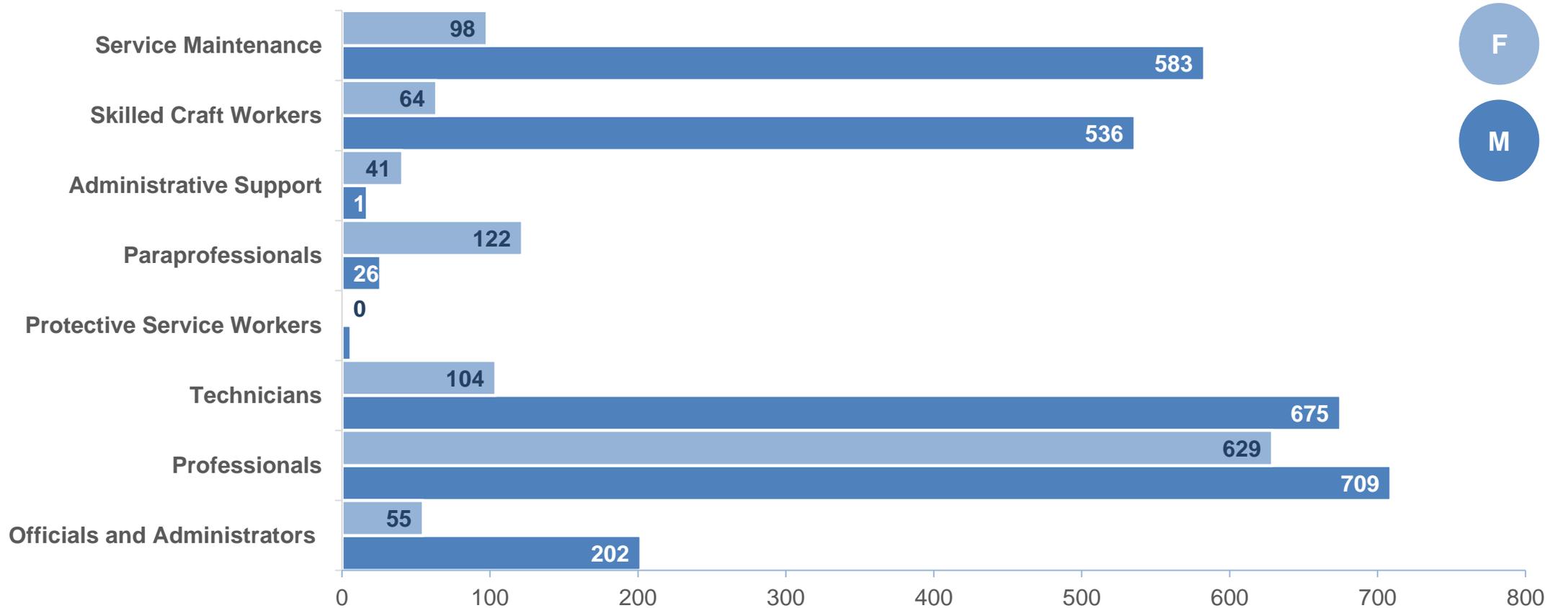
(TOTAL EMPLOYEES | 3867)



AI-American Indian, AP-Asian/Pacific Islander, B-Black, H-Hispanic, N-Native Hawaiian, T-Two or More Races, W-White

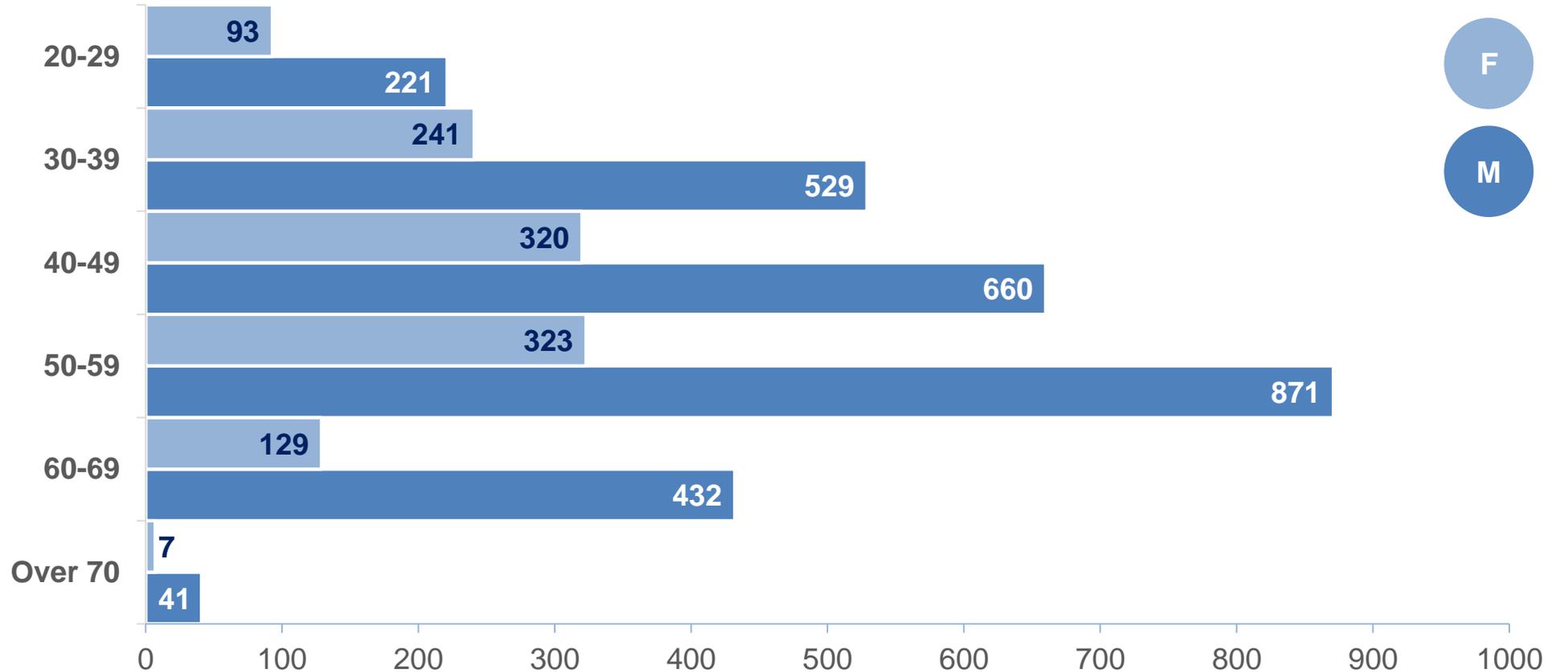
PUBLIC WORKS BY GENDER

(TOTAL EMPLOYEES | **3867**)



PUBLIC WORKS BY AGE

(TOTAL EMPLOYEES | 3867)



PUBLIC WORKS BY TENURE

(TOTAL EMPLOYEES | 3867)

